



State of New Jersey

Chris Christie
Governor

Kim Guadagno
Lt. Governor

Office of the Attorney General
Department of Law and Public Safety
Division of Gaming Enforcement
1300 Atlantic Avenue
Atlantic City, NJ 08401

Jeffrey S. Chiesa
Attorney General

David Rebuck
Director

April 5, 2013

Name
Address

To Whom It May Concern:

Purpose and Intent

The purpose of this solicitation is to acquire consultant services to assist the Division of Gaming Enforcement (DGE) with the implementation of Internet gaming.

The intent of this solicitation is to award a contract to a responsible bidder whose bid proposal, conforming to this solicitation is the most advantageous to the State, price and other factors considered. The State, however, reserves the right to separately procure individual requirements that are the subject of the contract during the contract term, when deemed by the Director of Purchase and Property (Director) to be in the State's best interest.

Recently enacted legislation mandates the implementation and regulation of Online Gambling in the State of New Jersey. P.L. 2013, c.27 (enacted February 26, 2013) requires that DGE shall select the date upon which the provisions of the act shall become operative, which shall be not less than three months, nor more than nine months, after the date of enactment. DGE shall provide all casino licensees and applicants with 45 days notice of the operative date.

Term: The contract must be fully operational by April 30, 2013 in order to meet the statutory operative date for Internet gambling on November 26, 2013.

There will be four phases of vendor consultation: preliminary phase, testing phase, implementation phase and maintenance phase.

The initial phase will begin when the vendor is selected and will end when the public comment period for the soon to be proposed Internet gaming regulations ends. During this time, the vendor will review the proposed regulations and DGE's plans to effectively regulate Internet gaming. The vendor will be required to provide a written GAP assessment along with recommendations to address any perceived weaknesses. The GAP analysis will be due prior to the end of the public comment period. The vendor will also advise executive, technical, and investigative staff as to the relevancy of all comments received during the comment period. The vendor will also generate draft responses to all comments received during the public comment period.

DGE specifically seeks a GAP Analysis to have an experienced Internet gaming regulator assist with identifying the areas and parameters addressed by our initial draft of Internet gaming regulations and comparing them with any shortcomings in terms of areas which should be covered. For example, the Division has set forth certain levels of licensing requirements for payment processors, age verification services, and geolocation services. The consultant will address whether this level of licensure is adequate or should be adjusted.

There are literally hundreds of areas similar to this which must be addressed. The point is that while DGE did extensive research to determine how to draft Internet gaming rules, we require the services of an expert to examine whether we missed anything significant and whether the casino industry's response to our rules is reasonable. The industry will request changes. DGE needs an expert to properly assess the gap between what we wrote and where we need to be on all of these policy choices which we made in drafting the rules. DGE needs the expert to examine the gap between where we need to be and what the industry prefers so that we may adequately address their concerns. We need the consultant to prepare us to address the possible reactions of both the Internet gaming industry and gaming regulators from other jurisdictions.

The testing phase will begin when the first Internet gaming submission is received and end prior to the go live date. During that time, the vendor will advise DGE regarding specific technologies used to ensure the accuracy, reliability and integrity of the systems and data that is used in Internet gaming. The vendor will collaborate with technical and investigative staff to prepare audit plans to be conducted once the systems are available to the public. The vendor will also provide guidance to staff regarding the creation of audit plans and what to expect during the implementation phase.

The implementation phase will begin two weeks prior to the go live date and end two weeks after go live. During the implementation phase, the vendor will advise DGE on issues as they arise. The vendor will collaborate with DGE personnel to ensure all system functions are performing as intended.

During the maintenance phase, the vendor may be called in to advise DGE on issues of policy, process and technology.

Preferred Qualifications of the Vendor

1. Expertise and experience in staffing an organization/regulatory agency to regulate Internet wagering;
2. Expertise and experience in geolocation verification including geolocation companies and their methodology;
3. Expertise and experience in age verification methodologies;
4. Expertise and experience in encryption of data moving across the Internet;
5. Expertise and experience in hardware and software costs in running an Internet gaming site;
6. Expertise and experience in "know your customer" methods and problem gambling issues;
7. Expertise and working knowledge of all the major company participants in Internet wagering in Europe, including but not limited to the history of these companies and how they were founded;
8. Expertise in how Internet gambling games actually work so that DGE can accurately audit revenue statements and examine claims;
9. Expertise in money laundering prevention;
10. The vendor will provide advice to the executive management on challenges to the Internet legislation and related DGE regulations/implementation;
11. Brings the experience of a senior gaming regulator who was responsible for overseeing the design and implementation of a structure and the systems for the performance of Internet wagering in a jurisdiction that authorized Internet gambling.

Deliverables

The vendor will perform a GAP analysis regarding existing technical skills, plans and procedures for effectively regulating Internet gaming.

The vendor will work with investigative and technical management to assist in the alignment of processes based upon the results of a GAP analysis.

The vendor will work with investigative and technical management to establish bench marks and time lines for critical stages of the approval process.

The vendor will advise executive management on policy issues including those received from vendors and licensees during the proposed rules public comment period.

The vendor will advise technical and investigative management on the methods used to defeat geo-location software and how to counter those methods including list of risks, test methods and tolerances.

The vendor must have extensive experience dealing with regulated jurisdictions in the European Union and advise executive management on the risks associated entering into a memorandum with these jurisdictions for the purpose of increasing the player pool and tax revenue.

The vendor will advise technical and investigative management on the methods used to defeat age verification software and how to counter those methods including list of risks, test methods and tolerances.

The vendor will advise technical and investigative management on the algorithms and logic used

by Internet gaming systems to identify money laundering activity and provide audit plans to assess the effectiveness of those controls.

The vendor will advise technical and investigative staff on the systems used to identify persons who may be exhibiting signs of problem gambling.

The vendor will assist in assessing developing audit plans for assessing the effectiveness of the security and network controls used to protect critical data and player transactions.

Please provide an all inclusive quote which projects your total cost to perform the service.

Please be advised all questions should be directed to joan.sampson@njdge.org by 12:00 noon EDT on April 9, 2013. Questions and answers will be sent by e-mail to all bidders no later than April 12, 2013.

All proposals will be accepted up to 12:00 noon EDT on April 17, 2013.

No contract will be awarded until the selected vendor completes all required vendor and waiver forms as outlined on the attached Bidder Checklist. Pursuant to N.J.S.A. 52:34-13.2, all contracts primarily for services awarded by the Director shall be performed within the United States, except when the Director certifies in writing a finding that a required service cannot be provided by a Contractor or subcontractor within the United States and the certification is approved by the State Treasurer.

Additionally, the vendor will have to register with the State of New Jersey.
<http://www.state.nj.us/treasury/revenue/busregcert.shtml>

Sincerely,

Joan Sampson
Chief of Staff